

AMENDED IN SENATE MARCH 22, 2011

SENATE BILL

No. 677

Introduced by Senator Hernandez

February 18, 2011

~~An act relating to Medi-Cal.~~ *An act to add Sections 14005.43 and 14005.44 to the Welfare and Institutions Code, relating to Medi-Cal.*

LEGISLATIVE COUNSEL'S DIGEST

SB 677, as amended, Hernandez. ~~Medi-Cal.~~ *Medi-Cal: eligibility.*

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions.

~~This bill would provide that it is the intent of the Legislature to enact legislation that would make changes to Medi-Cal program requirements to conform to the requirements of the federal Patient Protection and Affordable Care Act.~~

This bill would provide, to the extent required by federal law, that the department shall not apply an assets or resources test for purposes of determining eligibility for Medi-Cal or under a Medi-Cal waiver, except as specified. This bill would also require, to the extent required by federal law, the department to use the modified adjusted gross income of an individual, or the household income of a family, if applicable, for the purposes of determining income eligibility for Medi-Cal or under a Medi-Cal waiver, except as specified. The bill would provide that these provisions shall become operative on January 1, 2014. Because each county is responsible for making Medi-Cal eligibility

determinations, the bill would increase the duties of county officials and would thereby impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature to implement the
2 provisions of Section 2002 of the federal Patient Protection and
3 Affordable Care Act (Public Law 111-148), as amended by the
4 federal Health Care and Education Reconciliation Act of 2010
5 (Public Law 111-152), that prohibit the use of an assets or
6 resources test in the Medi-Cal program and that require the use
7 of modified adjusted gross income in determining Medi-Cal
8 eligibility for certain individuals.

9 SEC. 2. Section 14005.43 is added to the Welfare and
10 Institutions Code, to read:

11 14005.43. (a) Notwithstanding any other provision of state
12 law and to the extent required by federal law, the department shall
13 not apply an assets or resources test for purposes of determining
14 eligibility for Medi-Cal or under any Medi-Cal waiver, except for
15 individuals described in Section 1396a(e)(14)(D) of Title 42 of the
16 United States Code.

17 (b) This section shall become operative on January 1, 2014.

18 SEC. 3. Section 14005.44 is added to the Welfare and
19 Institutions Code, to read:

20 14005.44. (a) For the purposes of this section, “modified
21 adjusted gross income” and “household income” have the
22 meanings given to those terms in Section 36B(d)(2) of the Internal
23 Revenue Code of 1986.

24 (b) (1) Notwithstanding any other provision of state law and
25 to the extent required by federal law, for the purposes of

determining income eligibility for Medi-Cal or under any Medi-Cal waiver for which a determination of income is required, including with respect to the imposition of premiums and cost sharing, the department shall use the modified adjusted gross income of an individual and, in the case of an individual in a family greater than one, the household income of the family.

(2) The department shall establish income eligibility thresholds for populations to be eligible for Medi-Cal or under a Medi-Cal waiver using modified adjusted gross income and household income that are not less than the effective income eligibility levels that applied under Medi-Cal or a Medi-Cal waiver on the date of enactment of the federal Patient Protection and Affordable Care Act (Public Law 111-148).

(3) For purposes of complying with the maintenance of effort requirements in Section 1396a(gg) of Title 42 of the United States Code, during the transition to the use of modified adjusted gross income and household income, the department shall, working with the Secretary of the United States Department of Health and Human Services, establish an equivalent income test that ensures individuals eligible for Medi-Cal or under a Medi-Cal waiver on the date of enactment of the federal Patient Protection and Affordable Care Act (Public Law 111-148) do not lose coverage under Medi-Cal or the applicable Medi-Cal waiver.

(c) Except as provided in Section 1396a(e)(14)(I) of Title 42 of the United States Code relating to a 5 percent income disregard, no type of expense, block, or other income disregard shall be applied by the department to determine income eligibility for Medi-Cal or under any Medi-Cal waiver, or for any other purpose applicable under Medi-Cal or any Medi-Cal waiver for which determination of income is required.

(d) This section shall not apply to individuals described in Section 1396a(e)(14)(D) of Title 42 of the United States Code.

(e) This section shall become operative on January 1, 2014.

SEC. 4. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

~~SECTION 1. It is the intent of the Legislature to enact legislation that would make changes to Medi-Cal program~~

- 1 ~~requirements to conform to the requirements of the federal Patient~~
- 2 ~~Protection and Affordable Care Act (Public Law 111-148).~~

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